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Summary

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Feature Articles

Housing Finance - First Home Buyers and Other Borrowers.



Demography

Includes: **Estimated resident population, Components of population change**

South Australia's population increased by 18,000 during the year ended 30 September 2008.



Labour Force

Includes: **Contents, Employed persons, Unemployment, Participation rate**

South Australia's unemployment rate increased slightly from 5.7% in February 2009 to 5.8% in March 2009.



Incomes

Includes: **Average weekly earnings**

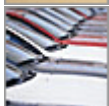
Average weekly full time earnings for South Australian males increased 6.7% in the year to November 2008, while female full time earnings increased 6.1%.



State Accounts

Includes: **State accounts, Household final consumption expenditure (HFCE)**

South Australia's State Final Demand increased by 0.7% in the December quarter 2008.



Consumption

Includes: **Retail trade, New motor vehicle sales**

Retail turnover in SA fell 2.4% from January 2009 to February 2009 (seasonally adjusted).



Investment

Includes: **Private new capital expenditure, Mineral and petroleum exploration expenditure**

South Australia's Private New Capital Expenditure decreased by 4.4% to \$1,233m in the December 2008 quarter.



Construction

Includes: **Building approvals, Construction work done**

The total number of dwelling units approved in South Australia decreased by 1.3% from January 2009 to February 2009.



Price Indexes

Includes: **Contents, Consumer price index, Wage price index, House price index**

The house price index for Adelaide rose 2.0% in the year to the December quarter 2008.



Housing Finance

Includes: **Housing finance commitments**

Total value of housing finance commitments (owner occupier) for South Australia in February 2009 was \$1,078m.



International Merchandise Trade

Includes: **Exports and Imports**

The value of South Australia's merchandise exports was \$785m in February 2009 (up 35.7% from January 2009).



Water

Includes: **Rainfall, Reservoir levels**

Total water storage in Adelaide's reservoirs was at 57% of capacity at the end of March 2009.

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27 October 2009

WHAT'S NEW THIS MONTH

Topics which have been updated with new data in this month's issue of **SA Stats** include: Construction; Consumption; Demography; Housing Finance; International Merchandise Trade; Labour Force; Price Indexes and Water.

This month's **SA Stats** includes a new article on housing finance in South Australia. The article uses data from Housing Finance, Australia (cat. no 5609.0) to compare South Australian borrowings by first home buyers and non-first home buyers purchasing housing.

INQUIRIES

For further information about these and related statistics, contact the National Information and Referral Service on 1300 135 070 or James Inglis on Adelaide (08) 8237 7405, or email sa.statistics@abs.gov.au.

Feature Articles



FEATURE ARTICLES

Apr 2009	Housing Finance - First Home Buyers and Other Borrowers
Feb 2009	Recent Increases in South Australia's Fertility
Jan 2009	South Australian Household Final Consumption Expenditure
2009	
Dec 2008	Energy Consumption in South Australia
Nov 2008	Adelaide's Population Turnover

Oct 2008	<u>Contributors to Adelaide's Price Rises</u>
Sep 2008	<u>Adelaide's Suburbs of Advantage and Disadvantage</u>
Aug 2008	<u>South Australia's Agriculture Industry</u>
July 2008	<u>New Dwelling Approvals in South Australia</u>
May 2008	<u>Literacy of South Australians</u>
April 2008	<u>South Australia's Migrant Population</u>
	<u>South Australia's Ageing Population and the Labour Force</u>
Feb 2008	<u>South Australia's Mining Industry</u>
	<u>Water Supply in South Australia</u>
Jan 2008	<u>Labour Force Underutilisation and the Underemployed in South Australia</u>
	<u>Water Use in Agriculture - A South Australian Perspective</u>
2007	
Nov 2007	<u>Sports Attendance in South Australia</u>
	<u>Recorded Crime - Victims, South Australia, 2006</u>
Oct 2007	<u>Attendance at Cultural Venues and Events by South Australians</u>
Aug 2007	<u>Children's Participation in Cultural and Leisure Activities - South Australia, 2006</u>
Jul 2007	<u>South Australia's big picture: Census highlights the changes in South Australian society</u>
	<u>Participation in Sports and Physical Recreation Activities - South Australia</u>
May 2007	<u>Health of South Australians - Body Mass</u>
	<u>Household Use of the Internet in South Australia</u>
Apr 2007	<u>Employment in the Retail Trade Industry in South Australia</u>
	<u>River Murray - South Australia</u>
Mar 2007	<u>Household Waste Management in South Australia</u>
Feb 2007	<u>Births - South Australia</u>
Jan 2007	<u>Gross Domestic Product and Gross State Product</u>
2006	
Dec 2006	<u>Rainfall in South Australia, South Australian Reservoirs, Water Consumption</u>
Nov 2006	<u>Health of South Australians - Health related actions</u>
Oct 2006	<u>National Regional Profile - New Release, New Features</u>
Sep 2006	<u>Fuel Production and Consumption, Greenhouse Gas Emissions, Land Use Change and Forestry</u>
Aug 2006	<u>Health of South Australians - Health Risk Behaviours</u>
	<u>The South Australian Grape Industry</u>
Jul 2006	<u>Use of IT By Australian Businesses</u>
	<u>Household use of the Internet in South Australia</u>
May 2006	<u>Health of South Australians - Health Status</u>
Apr 2006	<u>International Trade in Services</u>
	<u>International Students in South Australia</u>
Feb 2006	<u>Labour Force and Other Characteristics of Migrants in South Australia</u>
Jan 2006	<u>Survey of work in selected Culture & Leisure Activities</u>
2005	
Nov 2005	<u>Household Income in South Australia</u>
	<u>Household Expenditure in South Australia</u>
Oct 2005	<u>SA Business and Innovation</u>
	<u>Recent History of Population change in South Australia, 1993-94 to 2003-04</u>
Aug 2005	<u>Average Weekly Earnings</u>
	<u>Transition from School</u>

Demography



DEMOGRAPHY

ESTIMATED RESIDENT POPULATION

The estimated resident population (ERP) for South Australia was 1,607,700 at 30 September 2008, an increase of about 18,000 persons (1.1%) since 30 September 2007. Nationally, the ERP was 21,542,500 at 30 September 2008, an increase of about 389,300 persons (1.8%) since 30 September 2007.

ESTIMATED RESIDENT POPULATION, Preliminary data

	Population at end September quarter 2008 '000	Change over previous year '000	Change over previous year %
New South Wales	7 017.1	92.3	1.3
Victoria	5 340.3	97.0	1.8
Queensland	4 320.1	105.1	2.5
South Australia	1 607.7	18.0	1.1
Western Australia	2 188.5	62.6	2.9
Tasmania	498.9	4.6	0.9
Northern Territory	221.1	4.7	2.2
Australian Capital Territory	346.4	4.9	1.4
Australia(a)	21 542.5	389.3	1.8

(a) Includes Other Territories comprising Jervis Bay Territory, Christmas Island and the Cocos (Keeling) Islands.
Source: Australian Demographic Statistics (cat. no. 3101.0).

In 2007-08, the South Australian Statistical Division (SD) with the largest increase in ERP was Outer Adelaide (2.0%) followed by Adelaide (1.1%).

ESTIMATED RESIDENT POPULATION^(a), By Statistical Division, South Australia

	2007		2008	
	Population at 30 June '000	Change over previous year %	Population at 30 June '000	Change over previous year %
Adelaide	1 159.1	1.2	1 172.1	1.1
Outer Adelaide	131.4	2.1	134.1	2.0
Yorke and Lower North	45.9	1.0	46.4	1.0
Murray Lands	69.8	0.5	70.1	0.4
South East	64.9	0.6	65.4	0.8
Eyre	35.0	0.5	35.2	0.5
Northern	79.6	0.7	80.1	0.6
South Australia	1 585.8	1.1	1 603.4	1.1

(a) Estimates for 2007 are revised to align with new 2007 state and territory totals and estimates for 2008 are preliminary.

Source: Regional Population Growth, Australia 2007-08 (cat. no. 3218.0).

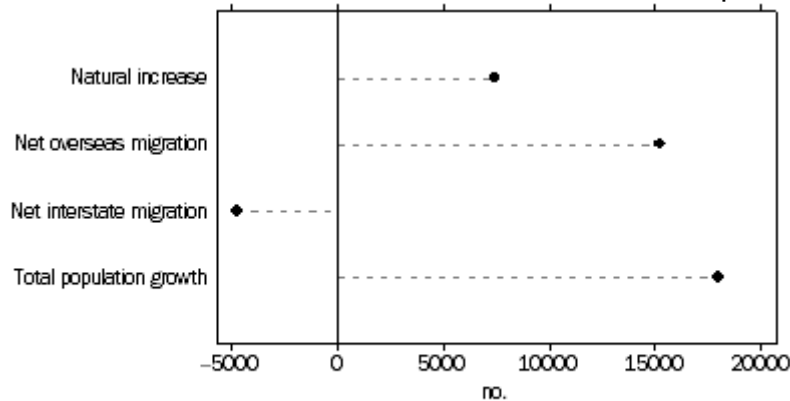
[Map of South Australia's Statistical Divisions\(PDF 2.44MB\)](#)

COMPONENTS OF POPULATION CHANGE

For the year ended 30 September 2008, South Australia recorded a natural increase (i.e. the net of births and deaths) of 7,461 persons. Net overseas migration provided a gain of 15,280 persons in the same period while net interstate migration realised a loss of 4,736 persons.

For the year ended 30 September 2008, Australia recorded a natural increase in population of 153,403 persons; net overseas migration resulted in a gain of 235,856 people.

POPULATION GROWTH, South Australia - Year ended September 2008



Source: Australian Demographic Statistics (cat. no. 3101.0)

Labour Force



LABOUR FORCE

CONTENTS

[Employed persons](#)

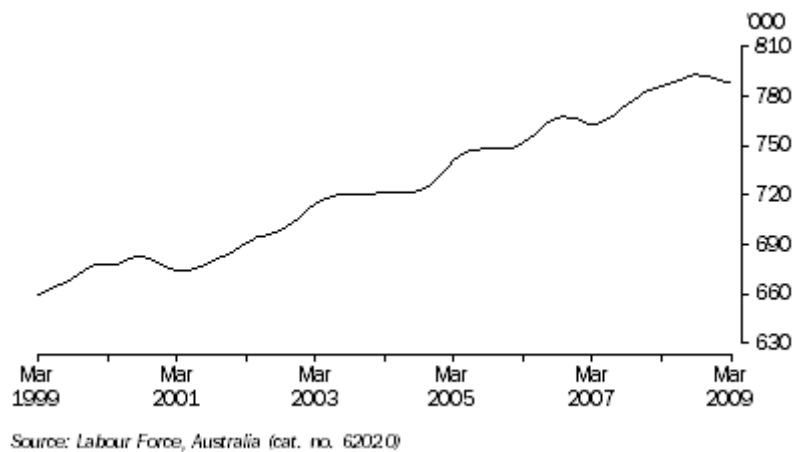
[Unemployment](#)

[Participation rate](#)

EMPLOYED PERSONS

In trend terms, the total number of persons employed in South Australia in March 2009 was 787,900, a decrease of 1,000 from the number of persons employed in February 2009 (788,900). The total number of persons employed in Australia in March 2009 was 10,792,300, an decrease of 4,900 on the number employed in February 2009 (10,797,200).

EMPLOYED PERSONS, Trend, South Australia

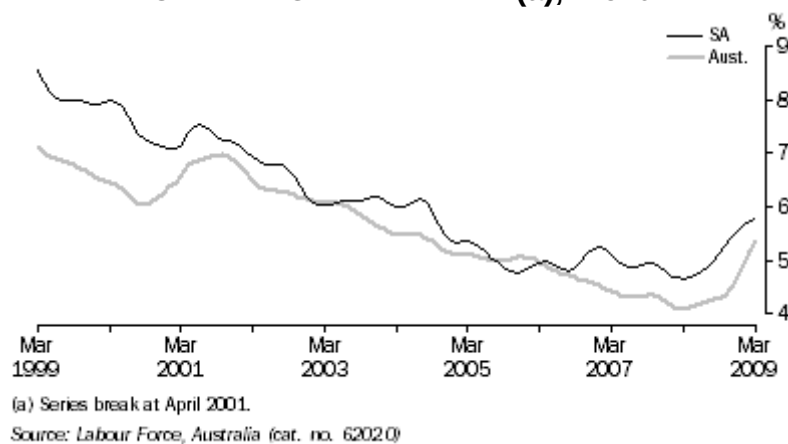


The number of males employed full-time in South Australia in March 2009 was 356,800 (in trend terms), a decrease from 358,700 in February 2009. The number of females employed full-time in South Australia increased from 180,000 in February 2009 to 180,900 in March 2009.

UNEMPLOYMENT

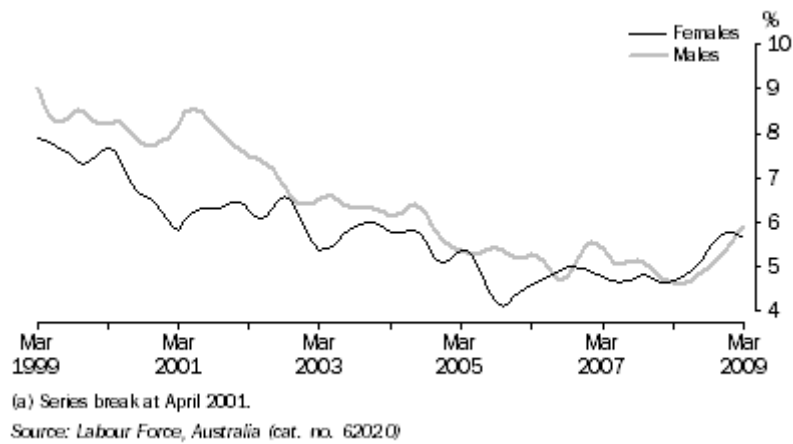
The trend estimate unemployment rate for South Australia increased slightly from 5.7% in February 2009 to 5.8% in March 2009. Australia's unemployment rate also increased from 5.2% in February 2009 to 5.4% in March 2009.

UNEMPLOYMENT RATE(a), Trend



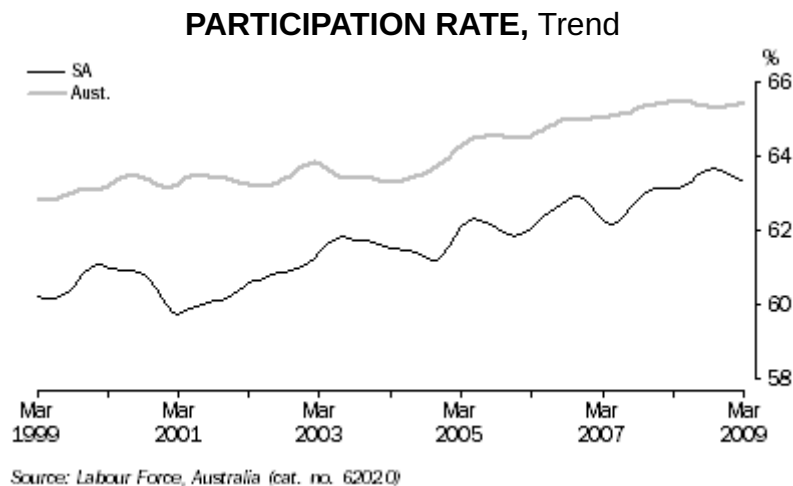
For South Australia, the trend unemployment rate for males increased slightly from 5.8% in February 2009 to 5.9% in March 2009. The trend unemployment rate for females in South Australia decreased slightly from 5.7% in February 2009 to 5.6% in March 2009.

UNEMPLOYMENT RATE(a), Trend, South Australia



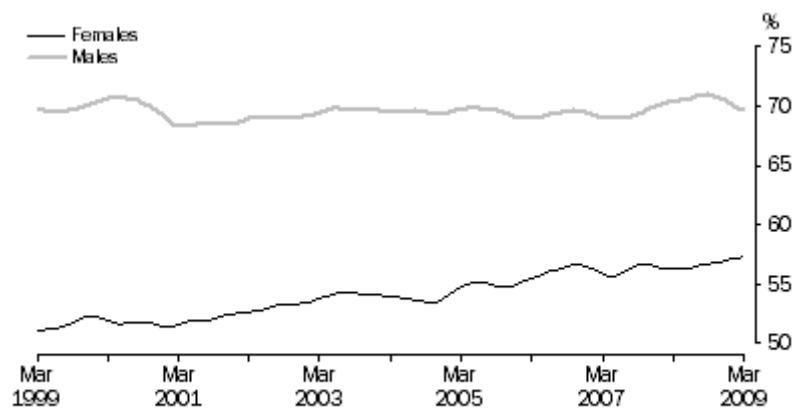
PARTICIPATION RATE

The trend estimate of the participation rate for South Australia decreased slightly from 63.4% in February 2009 to 63.3% in March 2009. Australia's trend participation rate increased slightly from 65.4% in February 2009 to 65.5% in March 2009.



For South Australia, the trend participation rate for males dropped slightly from 69.9% in February 2009 to 69.6% in March 2009. The Australian participation rate for males remained steady in March 2009 at 72.2%. The participation rate for South Australian females increased slightly from 57.2% in February 2009 to 57.3% in March 2009. The Australian female participation rate also increased slightly over this period from 58.8% in February 2009 to 58.9% in March 2009.

PARTICIPATION RATE, Trend, South Australia



Source: Labour Force, Australia (cat. no. 6202.0)

Incomes



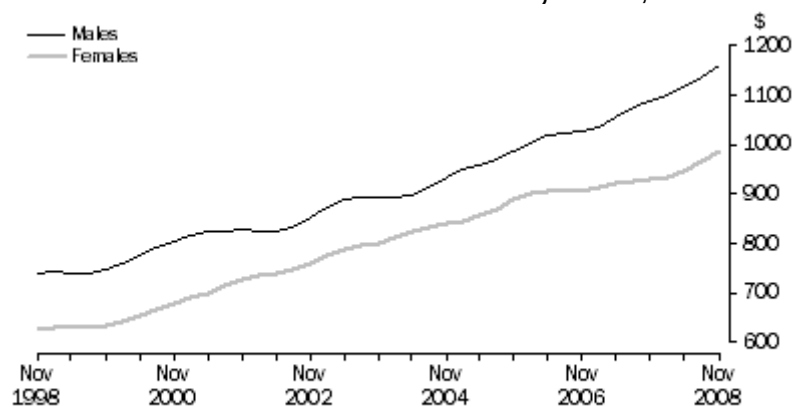
INCOMES

AVERAGE WEEKLY EARNINGS

The trend estimate of average weekly (ordinary time) earnings for full-time adult persons in South Australia increased by 6.5% to \$1,100.40 in the 12 months to November 2008. Nationally, the corresponding increase was lower at 5.2% (up to \$1,164.90).

In the 12 months to November 2008, average weekly full-time earnings in South Australia for males increased by 6.7% to \$1,160.70. Nationally, male average weekly full-time earnings increased 5.7% to \$1,243.00. Female average weekly full-time earnings in South Australia increased by 6.1% to \$986.90 in the 12 months to November 2008, compared with a national increase of 4.7% to \$1,032.20.

FULL-TIME ORDINARY TIME EARNINGS, Trend, South Australia



Source: Average Weekly Earnings, Australia (cat. no. 6302.0)

For information on the wage price index, please refer to the '[Price Indexes](#)' topic.

State Accounts



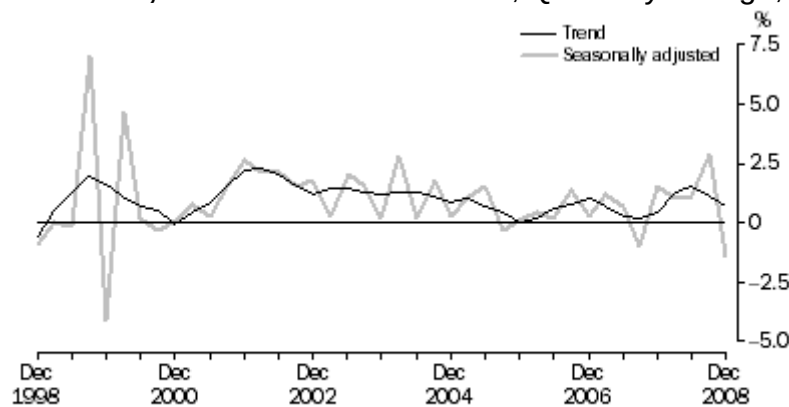
STATE ACCOUNTS

STATE ACCOUNTS

South Australia's December quarter 2008 State Final Demand in chain volume (trend) terms was \$18,949m, a 0.7% increase from the September quarter 2008. Australia's Domestic Final Demand increased 0.3% in the December quarter 2008, to \$284,426m.

Of the other states and territories, the strongest growth for the quarter was reported in the Northern Territory (up 1.8%) followed by Western Australia (up 1.0%).

STATE FINAL DEMAND, Chain volume measures, Quarterly change, South Australia

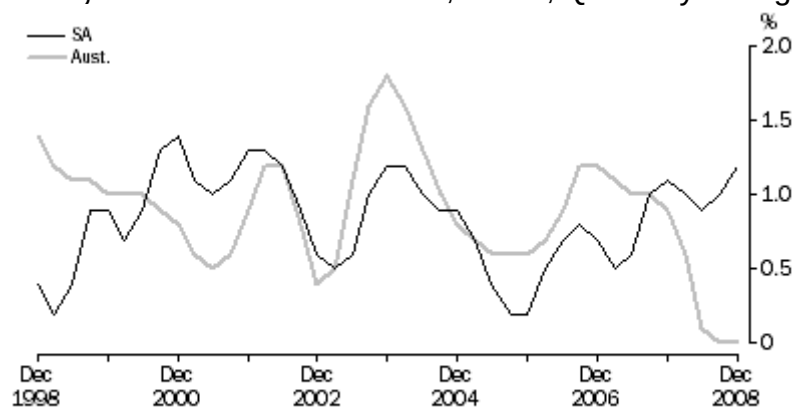


Source: Australian National Accounts: National Income, Expenditure and Product (cat. no. 5206.0)

HOUSEHOLD FINAL CONSUMPTION EXPENDITURE (HFCE)

In chain volume (trend) terms, South Australia's December quarter 2008 HFCE was \$11,134m (7.3% of the national total of \$152,496m). The value of HFCE for South Australia increased by 1.2% from the June quarter 2008 to the September quarter 2008. For Australia, HFCE was virtually unchanged from the September quarter 2008.

HFCE, Chain volume measures, Trend, Quarterly change

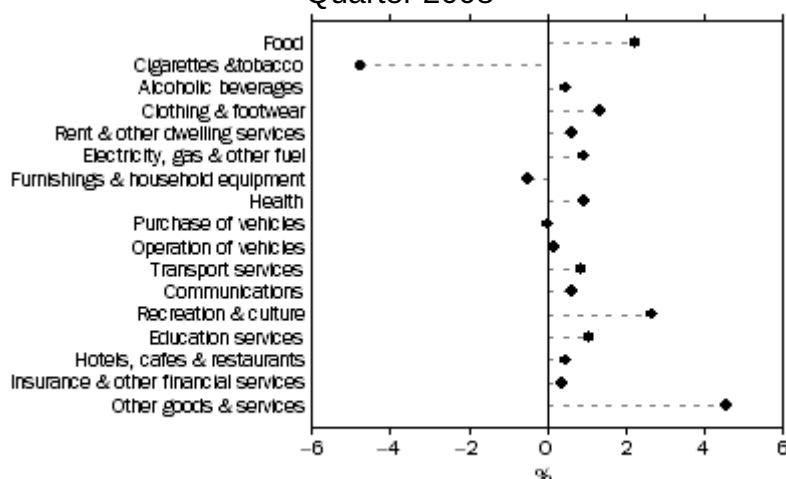


Source: Australian National Accounts: National Income, Expenditure and Product (cat. no. 5206.0)

The largest increases in expenditure in South Australia for the December quarter 2008 were for Other goods and services (up 4.6% from the September quarter 2008), Recreation and culture (up 2.7%) and Food (up 2.2%). Expenditure on Cigarettes and tobacco decreased by 4.8% over this period.

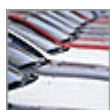
For Australia, the largest increase was for Health (up 1.3% from the September quarter 2008) followed by Insurance and other financial services (up 0.7%), Rent and other dwelling services (up 0.6%) and Electricity, gas and other fuel (0.6%). Expenditure on Purchase of vehicles decreased 3.7% from the September quarter 2008.

HFCE, Chain volume measures, Trend, Quarterly change, South Australia - December Quarter 2008



Source: Australian National Accounts: National Income, Expenditure and Product (cat. no. 5206.0)

Consumption



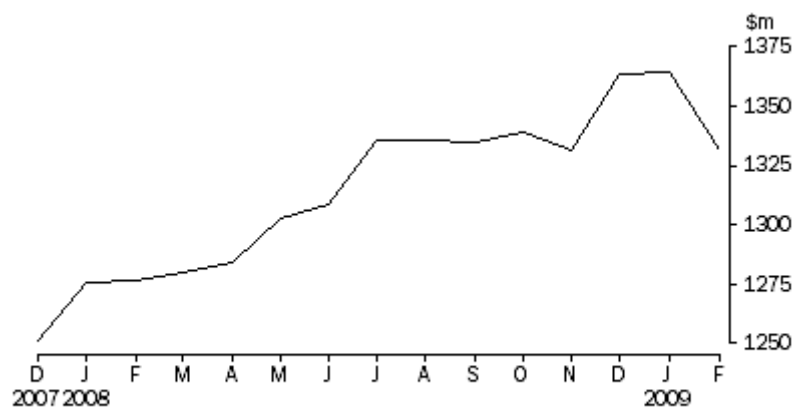
CONSUMPTION

RETAIL TRADE

The February 2009 seasonally adjusted estimate for South Australia's retail turnover was \$1,331.1m, while the estimate for Australia was \$18,873.4m. South Australia's contribution to total retail turnover in Australia remained steady from January 2009 to February 2009 at 7.1%.

From January 2009, the decrease in retail turnover for South Australia across all retail industries was 2.4%, while turnover for Australia decreased by 2.0%.

RETAIL TURNOVER, Seasonally adjusted, South Australia

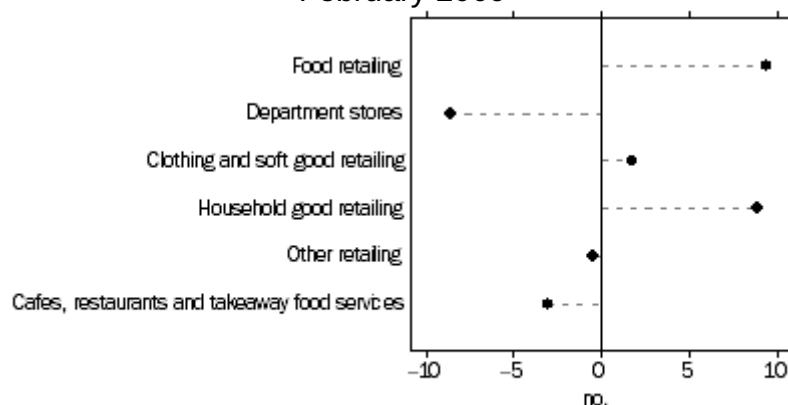


Source: Retail Trade, Australia (cat. no. 8501.0)

Comparing February 2009 with February 2008, the South Australian industry groups with the largest percentage increases in retail turnover (in seasonally adjusted terms) were Food retailing, which rose by 9.4% to \$585.3m, and Household good retailing, which rose by 8.9% to \$232.4m.

The South Australian industry groups with the largest decreases in retail turnover were Department stores, which decreased by 8.6% to \$114.5m, and Cafes, restaurants and takeaway food services, which decreased by 3.0% to \$143.9m.

RETAIL TURNOVER, Seasonally adjusted, Change over previous year, South Australia - February 2009



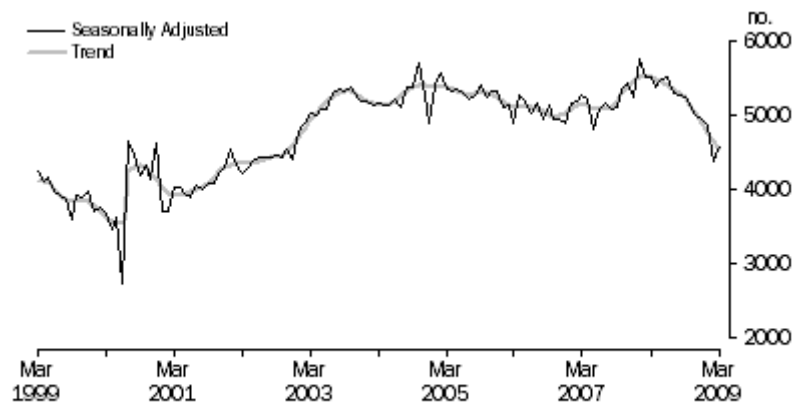
Source: Retail Trade, Australia (cat. no. 8501.0)

NEW MOTOR VEHICLE SALES

In March 2009, 2,795 new passenger vehicles and 4,548 new vehicles in total (in trend terms) were sold in South Australia. The trend estimate for total new vehicle sales in South Australia has continually decreased since February 2008.

In Australia, 42,591 new passenger vehicles and 71,725 new vehicles in total (in trend terms) were sold in March 2009. The trend estimate for total new vehicle sales in Australia has continually decreased since January 2008.

NEW MOTOR VEHICLE SALES, South Australia



Source: Sales of New Motor Vehicles, Australia (cat. no. 9314.0)

Investment



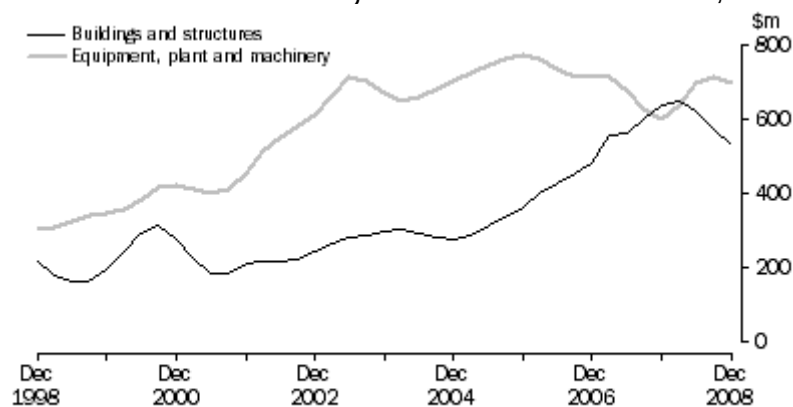
INVESTMENT

PRIVATE NEW CAPITAL EXPENDITURE

Between the September 2008 and December 2008 quarters, the South Australian chain volume (trend) estimate of private new capital expenditure decreased by 4.4% to \$1,233m. Expenditure on Equipment, plant and machinery decreased by \$17m (or 2.4%) to \$699m, while expenditure on Buildings and structures decreased by \$40m (or 6.9%) to \$533m.

Between the September 2008 and December 2008 quarters, private new capital expenditure for Australia increased by 4.2% to \$24,753m. Expenditure on Equipment, plant and machinery increased by 1.8%, while Buildings and structures expenditure increased by 6.6% over this period.

PRIVATE NEW CAPITAL EXPENDITURE, Chain volume measures, Trend, South Australia



Source: Private New Capital Expenditure and Expected Expenditure, Australia (cat. no. 5625.0)

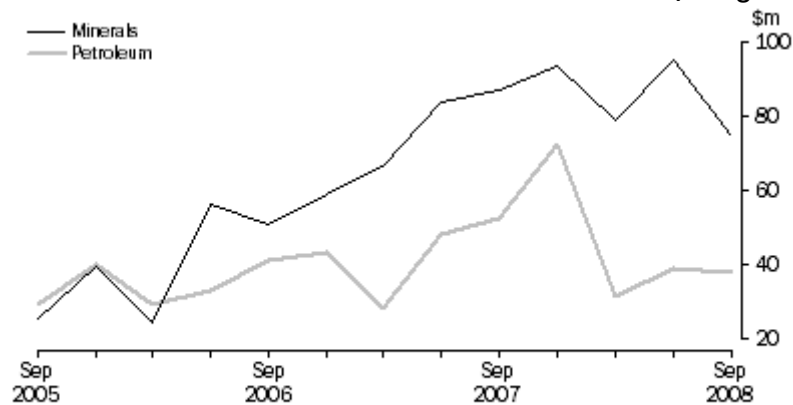
MINERAL AND PETROLEUM EXPLORATION EXPENDITURE

The value of mineral exploration expenditure in South Australia during the September quarter 2008 was \$75.0m (in original terms), down 21.2% from \$95.2m for the June quarter 2008. Over the same period, Australian expenditure on mineral exploration decreased by 5.5% from \$728.1m in the June quarter 2008 to \$687.7m in the September quarter 2008.

The main minerals sought in South Australia in the September quarter 2008 were copper (\$28.5m exploration expenditure), uranium (\$22.4m), and gold (\$13.6m).

Expenditure on petroleum exploration in South Australia in the September quarter 2008 was \$37.9m, down 3.5% from the June quarter 2008. Nationally, expenditure on petroleum exploration decreased 8.9% from \$857.2m in the June quarter 2008 to \$781.3m in the September quarter 2008.

MINERAL AND PETROLEUM EXPLORATION EXPENDITURE, Original, South Australia



Source: Mineral and Petroleum Exploration, Australia (cat. no. 8412.0)

Construction



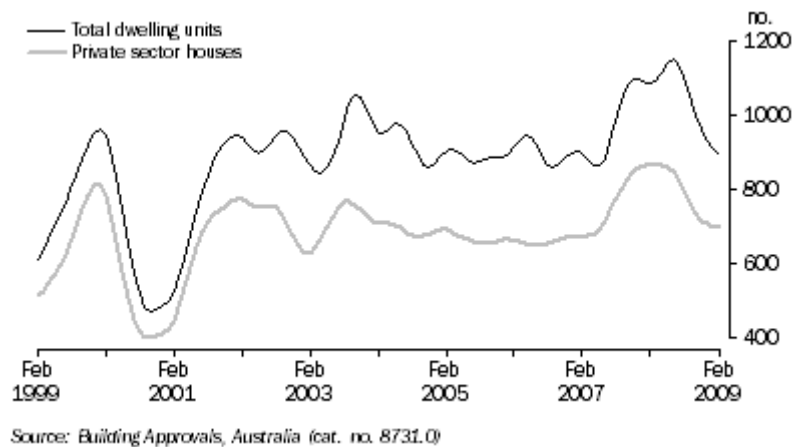
CONSTRUCTION

BUILDING APPROVALS

In February 2009, the total number of dwelling units approved in South Australia (in trend terms) fell 1.3% to 896. Nationally, the total number of dwelling units approved (in trend terms) fell 2.0% to 9,414.

The trend estimate for the number of private sector houses approved in South Australia in February 2009 rose by 0.1% to 703.

DWELLING UNITS APPROVED, Trend, South Australia



In the year ended February 2009, the largest percentage increase in dwelling units approved in South Australia was recorded for the South East Statistical Division (SD) (41.1%). The Northern Statistical Division recorded the only percentage decrease in dwelling units approved in the year ended February 2009 (down 2.5%), following an 18.4% increase during the year ended February 2008.

DWELLING UNITS APPROVED, by Statistical Division (SD), Original, South Australia

	Year ended February 2008		Year ended February 2009	
	Dwelling units Change over previous year		Dwelling units Change over previous year	
	no.	%	no.	%
Adelaide	8 423	6.0	8 661	2.8
Outer Adelaide	1 545	3.8	1 723	11.5
Yorke and Lower North	571	17.2	578	1.2
Murray Lands	428	-38.9	495	15.7
South East	377	-1.3	532	41.1
Eyre	291	47.0	292	0.3
Northern	476	18.4	464	-2.5
South Australia	12 111	4.4	12 745	5.2

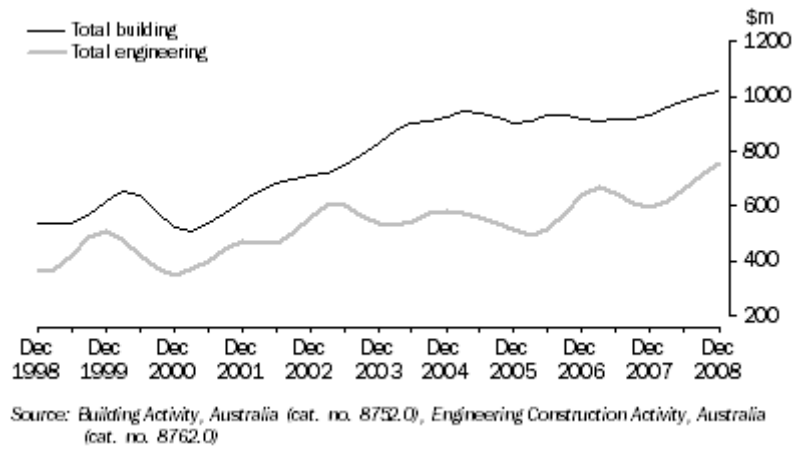
Source: Building Approvals, Australia - data available on request

[Map of South Australia's Statistical Divisions](#) (PDF 2.44MB)

CONSTRUCTION WORK DONE

In the December quarter 2008, the total value of building work done (in trend terms) in South Australia was \$1,019.8m, an increase of 1.1% from \$1,008.5m for the September quarter 2008. The total value of engineering work done in the December quarter 2008 was \$755.7m, an increase of 6.2% from the September quarter 2008 (\$711.4m).

VALUE OF CONSTRUCTION WORK DONE, Chain volume measures, Trend, South Australia



Price Indexes



PRICE INDEXES

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[Consumer price index](#)

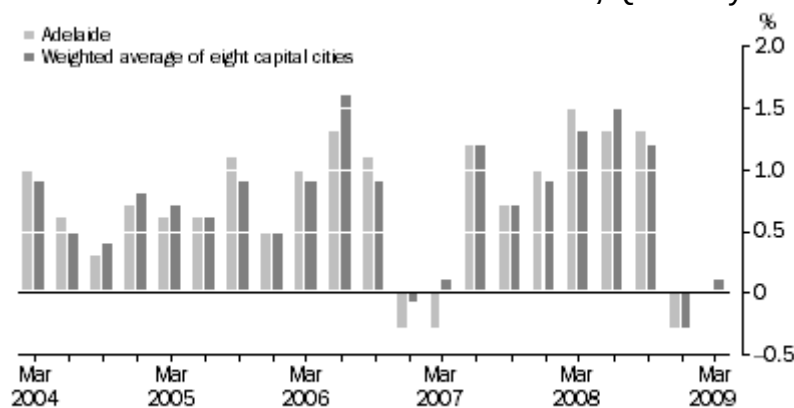
[Wage price index](#)

[House price index](#)

CONSUMER PRICE INDEX

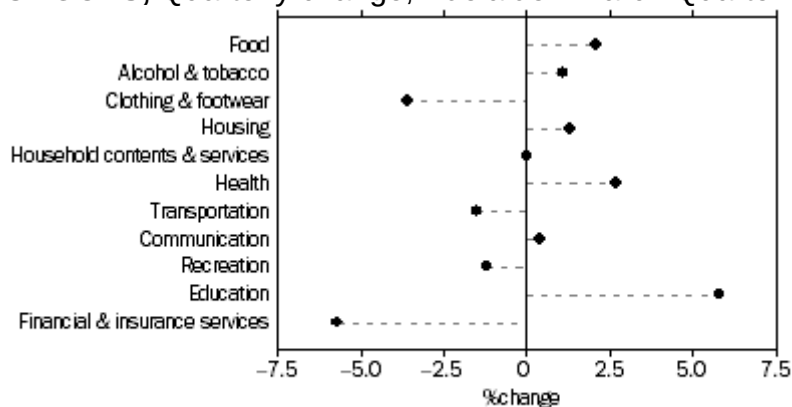
The all groups consumer price index (CPI) for Adelaide remained virtually unchanged during the March quarter 2009, while the weighted average of the eight capital cities increased by 0.1% during that quarter. Adelaide's CPI increased by 2.3% in the year ending March quarter 2009, compared with a 2.5% rise in the weighted average of the eight capital cities.

CONSUMER PRICE INDEX - ALL GROUPS, Quarterly change



Adelaide's largest percentage increases in prices from the previous quarter were in the areas of Education (5.8%), Health (2.7%) and Food (2.1%). The largest decreases in prices from the previous quarter were for Financial and insurance services (-5.7%) and Clothing and footwear (-3.6%).

CPI GROUPS, Quarterly change, Adelaide - March Quarter 2009

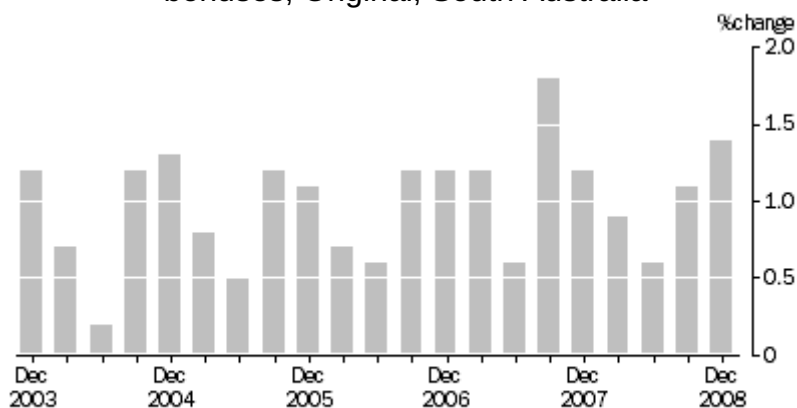


Source: Consumer Price Index, Australia (cat. no. 6401.0)

WAGE PRICE INDEX

The wage price index for all employee jobs in South Australia increased by 1.4% (in original terms) from the September quarter 2008 to the December quarter 2008. This was greater than the increase nationally (1.2%) over this period.

WAGE PRICE INDEX QUARTERLY CHANGES, Total hourly rates of pay excluding bonuses, Original, South Australia



Source: Labour Price Index, Australia (cat. no. 6345.0)

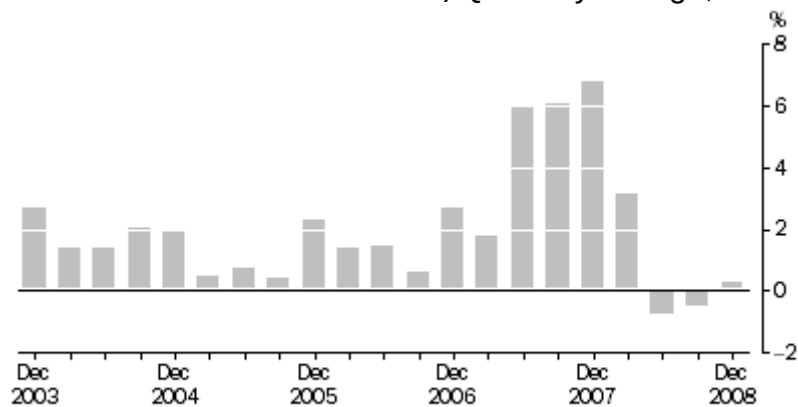
HOUSE PRICE INDEX

Preliminary estimates show that the price index for established houses for Adelaide (in original terms) increased 0.3% in the December quarter 2008. The only other cities in which the House Price Index increased between the September Quarter 2008 and the December Quarter 2008 were Darwin (1.6%) and Canberra (0.7%). The price index for the weighted average of the eight capital cities decreased by 0.8% over this period.

Over the year to the December quarter 2008, the preliminary estimates show the price index

for established houses for Adelaide rose 2.0%, while the weighted average of the eight capital cities decreased 3.3%.

ESTABLISHED HOUSE PRICES, Quarterly change, Adelaide



Source: House Price Indexes: Eight Capital Cities (cat. no. 6416.0)

Housing Finance

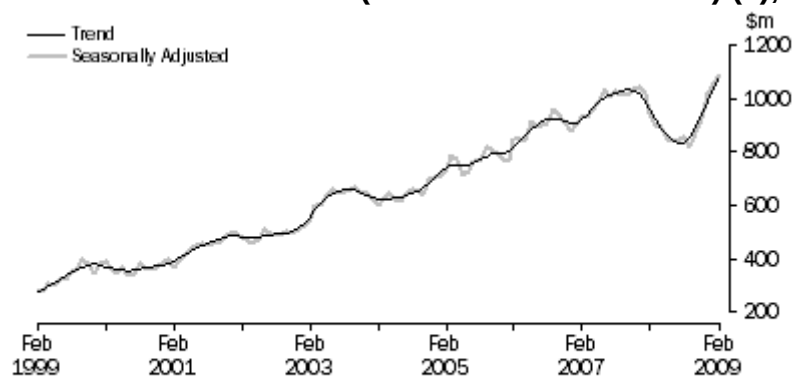


HOUSING FINANCE

HOUSING FINANCE COMMITMENTS

In trend terms, the total value of housing finance commitments (owner occupation) in South Australia in February 2009 was \$1,078m, an increase of 4.0% from \$1,037m in January 2009. Nationally, the value of housing finance commitments for owner occupation grew by 2.8% from \$13,890m in January 2009 to \$14,281m in February 2009.

HOUSING FINANCE COMMITMENTS (OWNER OCCUPATION) (a), South Australia



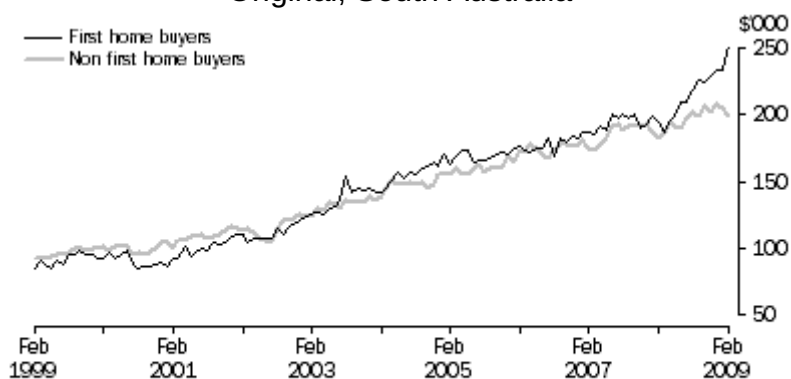
(a) Excludes alterations and additions. Includes refinancing.
Source: Housing Finance, Australia (cat. no. 5609.0)

In February 2009, the average home loan size for owner occupied dwellings in South Australia was \$210,700, which was significantly lower than the average home loan size for Australia (\$253,200).

In February 2009, the average loan size for first home buyers in South Australia was \$252,200, which was 26.2% higher than the average loan size for non-first home buyers (\$199,900). Since April 2008, the average loan size for first home buyers has increased 28.1% while the average loan size for non-first home buyers has increased 2.7%. The non-first home buyers category of loans includes loans for purchasing housing and the refinancing of existing loans. The latter type are smaller in size and refer to refinancing with a different lender, but with the security unchanged. The increasing divergence between the average loan sizes for first home buyers and non-first home buyers seen after April 2008 can in part be attributed to the increasing contribution of smaller refinancing loans to the non-first home buyers category.

For more information on housing finance in South Australia, please refer to this month's feature article [Housing Finance - First Home Buyers and Other Borrowers](#).

HOUSING FINANCE COMMITMENTS (OWNER OCCUPATION) (a), Average loan size, Original, South Australia



(a) Excludes alterations and additions. Includes refinancing.

Source: *Housing Finance, Australia* (cat. no. 5609.0)

For information on the house price index, please refer to the '[Price Indexes](#)' topic.

International Merchandise Trade



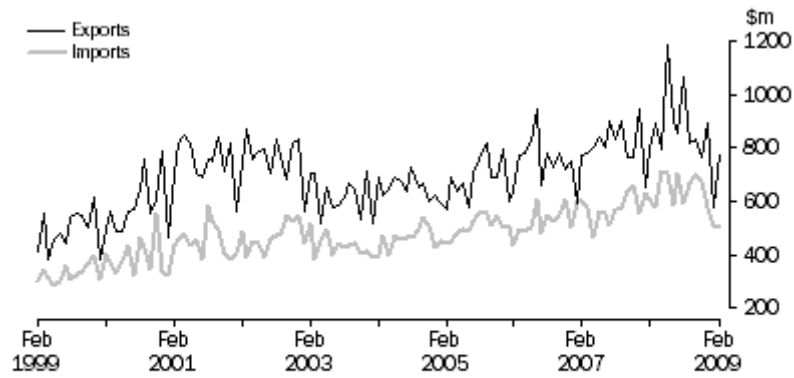
INTERNATIONAL MERCHANDISE TRADE

EXPORTS AND IMPORTS

South Australia's value of exports on a recorded trade basis in February 2009 was \$785m. This represents an increase of 35.7% from January 2009 (\$579m) and a decrease of 1.1% from February 2008 (\$794m). The value of Australian merchandise exports for February 2009 was \$18,898m, a 38.8% increase from the previous year (\$13,614m in February 2008).

The value of South Australian merchandise imports decreased to \$500m in February 2009 from \$610m in February 2008, a decrease of 18.1%. The value of Australian merchandise imports for February 2009 was \$16,577m, a 0.2% decrease from February 2008 (\$16,607m).

VALUE OF INTERNATIONAL MERCHANDISE EXPORTS AND IMPORTS (a), on a recorded trade basis, South Australia



(a) Exports where the final stage of production or manufacture occurs in South Australia.

Source: *International Trade in Goods and Services, Australia* (cat. no. 5368.0)

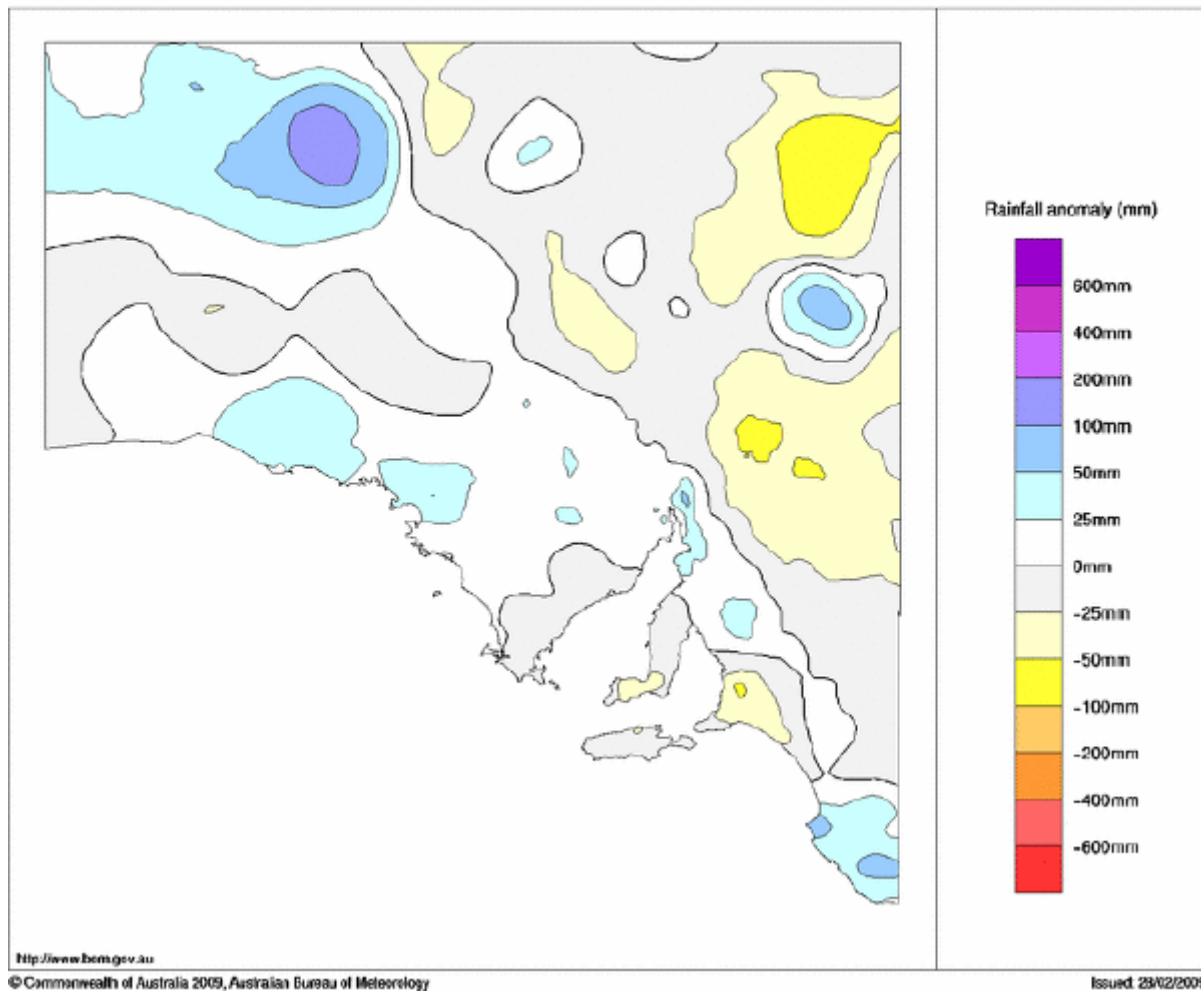
Water



WATER

RAINFALL

Summer rainfall over South Australia was mostly average to above average apart from some areas in the eastern part of the state where it was slightly below average. Most of the rain fell during the first few weeks of December 2008. For the January/February months of 2009 the pastoral districts reported totals that were generally very much below average except some areas in the northeast of the state where near average rainfall was received.

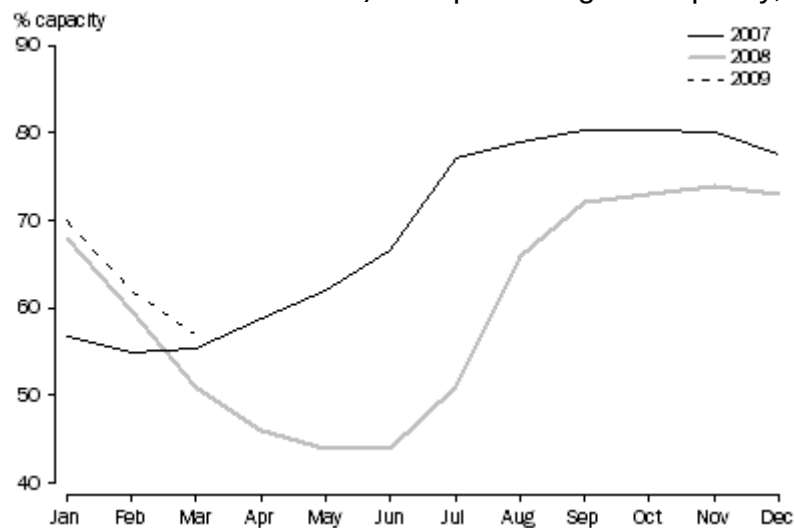


Source: 3-monthly rainfall anomalies for South Australia, Australian Bureau of Meteorology.

RESERVOIR LEVELS

The total water storage in Adelaide's reservoirs at the end of March 2009 was 57% of capacity, compared to 51% at the same time in 2008.

TOTAL RESERVOIR STORAGE, As a percentage of capacity, Adelaide



About this Release

SA Stats provides an overview of the South Australian population and economy. The publication is updated on a monthly basis, with most releases also featuring an article that provides a South Australian focus on economic, social and environmental issues.

Explanatory Notes are not included in SA Stats in the form found in other Australian Bureau of Statistics (ABS) publications. Readers are directed to the Explanatory Notes contained in related ABS publications.

Housing Finance - First Home Buyers and Other Borrowers (Feature Article)

FEATURE ARTICLE: HOUSING FINANCE - FIRST HOME BUYERS AND OTHER BORROWERS

INTRODUCTION

After March 2008, the average loan sizes for first home buyers and non-first home buyers showed an increasing divergence. This article looks at the average loan size for home buyers in South Australia, and examines the reasons for the increasing divergence between first home buyers and non-first home buyers. The average loan size of non-first home buyers has not increased to the same extent as first home buyers, and this has been driven by an increasing proportion of refinancing loans (which contribute to the non-first home buyer category).

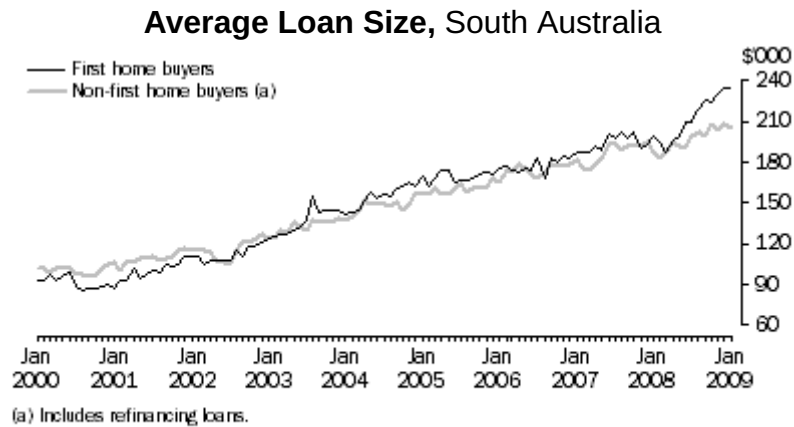
This article also looks at the impact of grants to first home buyers, introduced in 2000 and 2008. It shows that in both cases, the proportion of loans to first home buyers increased immediately after the grants commenced. It also shows that the average loan size for first home buyers fell in 2000 after the First Home Owners Scheme was introduced, but in 2008 the opposite effect was observed when the First Home Owners Boost and First Home Bonus Grants were introduced.

The data used in this article are original, monthly data covering the period January 2000 to January 2009. The finance commitments relate to owner occupation borrowings and exclude the financing of alterations and additions. For information on sourcing these data, please refer to the [Technical Note](#).

Average Loan Sizes for First Home Buyers and Non-first Home Buyers

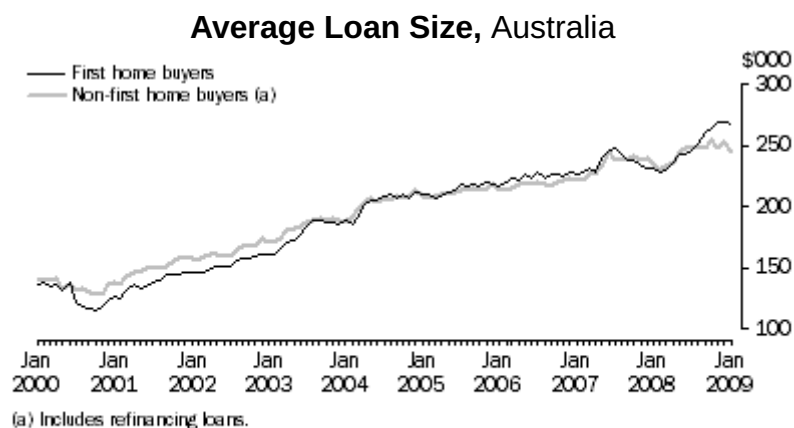
For the period January 2003 to March 2008, the average sizes of loans for South Australian first home buyers and non-first home buyers were similar. However, after March 2008, the average loan sizes of the two categories showed an increasing divergence. In March 2008, the average loan size for South Australian first home buyers was \$187,200, and for non-first

home buyers it was \$187,300; by January 2009 the former had increased by 24.4% to \$233,800, while the latter had increased by 9.5% to \$205,100.



Source: Housing Finance, Australia (cat. no. 5609.0)

This recent divergence can also be observed for Australian housing finance. In March 2008, first home buyer loans averaged \$230,000 while for other borrowers the average was \$234,200. By January 2009 first home buyer loans had increased by 16.6% while non-first home buyer loans increased by only 4.6%.



Source: Housing Finance, Australia (cat. no. 5609.0)

It is important to note that data for first home buyers only represents borrowings for the purchase of dwellings, whereas the non-first home buyers includes borrowings for either the purchase of dwellings or for the refinancing of existing home loans. Refinancing loans are those that, for owner occupation, involve a change of lender with the security unchanged. Where loans are refinanced to fund a change of residence they are treated as new dwelling commitments (purchase). Refinancing does not include borrowings for renovations, alterations or additions to dwellings.

As shown in this article, refinancing loans, as a proportion of all non-first home buyer loans, have increased over the last 12 months and are a contributing factor for the divergence in average loan size for first home buyers and non-first home buyers.

Components of Non-first Home Buyer Commitments

The following graphs show the average loan sizes of the non-first home buyers category

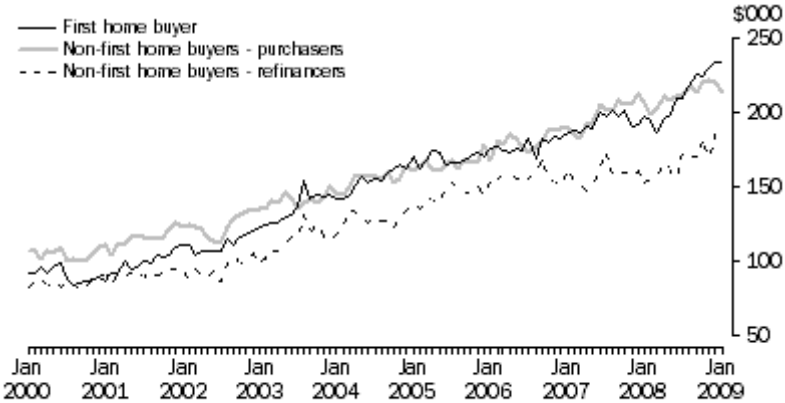
split into the purchasing and refinancing components and compare these with first home buyer loans. For details on the method used in this analysis, see the Technical Note.

For both South Australia and Australia, the average loan size of the non-first home buyers purchasing component is consistently higher than non-first home buyers who are refinancing. In January 2009, the average loan size for the South Australian non-first home buyers purchasing component was \$213,400 while for refinancing it was \$191,500.

The contribution of each type of loan to the average loan size for non-first home buyer borrowings is determined not only by its average loan size but also by the number of borrowers. In March 2008, the contribution of purchasing loans to the average loan size for South Australian non-first home buyers loans was 70.7%, while in January 2009 this contribution had fallen to 64.6%.

The increasing proportion of refinancing loans means that these smaller loans are having an increased impact on the overall average value of non-first home buyer loans.

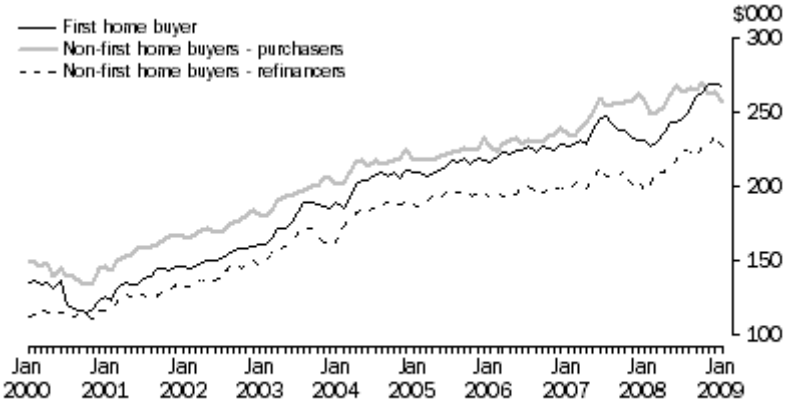
Average loan size, purchase and refinance, South Australia



Source: Housing Finance, Australia (cat. no. 5609.0)

At the national level, average non-first home buyer purchasing loans were also consistently larger than non-first home buyer refinancing loans.

Average Loan Size, purchase and refinance, Australia



Source: Housing Finance, Australia (cat. no. 5609.0)

Comparison of Loans for Purchases by First Home Buyers and Non-first Home Buyers

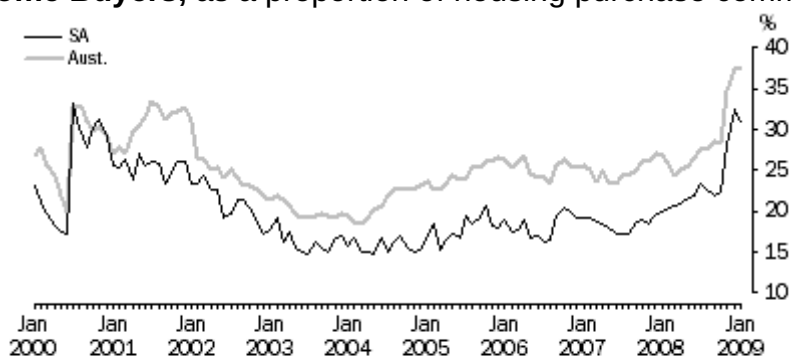
Number of commitments

Looking at loans to first home buyers as a proportion of the total number of housing purchase commitments between January 2000 and January 2009, two periods of pronounced change, common to both South Australia and Australia, are apparent. The first period commenced in July 2000, coincidental with the Commonwealth Government's introduction of the First Home Owners Scheme (FHOS) grants. At this time, the proportion of first home owner commitments in South Australia almost doubled from 17.2% in June 2000 to 33.1% in July 2000.

The second period commenced in November 2008, soon after the Commonwealth Government had introduced the First Home Owners Boost (FHOB) for homes purchased after 14 October 2008 (and before 30 June 2009). The South Australia State Government introduced additional support with First Home Bonus Grants (FHBG) for contracts signed after 5 June 2008.

At this time, first home buyer loan commitments as a proportion of all housing purchase loans in South Australia increased from 22.4% in October 2008 to 28.0% in November 2008, and to 32.4% in December 2008. A similar increase was observed at the national level.

First Home Buyers, as a proportion of housing purchase commitments



Source: Housing Finance, Australia (cat. no. 5609.0)

The following table shows the number of first home buyer commitments for the two periods discussed above. It is evident that the introduction of government grant initiatives for first home buyers contributed to an increase in the number (and proportion) of this type of borrower both in South Australia and nationally.

First Home Buyer Commitments

	June 2000 no.	July 2000 no.	Change %	October 2008 no.	November 2008 no.	Change %
South Australia	442	923	108.8	652	862	32.2
Australia	6 039	10 343	71.3	9 910	11 775	18.8

Average loan size

After the introduction of financial assistance to first home buyers it might be expected that the average loan sizes for first home buyers would decrease, and shift further away from the average loan sizes for non-first home buyers. Both South Australian and Australian first

home buyer loans took this course after the introduction of FHOS grants in July 2000 (this can be seen in the graphs above). However in 2008, after the commencement of the FHBG and FHOB grants, the average sizes of first home buyer loans increased, and eventually (in September 2008) exceeded the size of non-first home buyer loans.

Average Loan Sizes, first home buyers

	June 2000 (\$000)	July 2000 (\$000)	Change %	October 2008 (\$000)	November 2008 (\$000)	Change %
South Australia	98.8	88.1	-10.8	224.7	230.0	2.4
Australia	137.4	120.5	-12.0	264.5	269.4	1.9

SUMMARY

After March 2008, the average loan sizes for first home buyers and non-first home buyers showed an increasing divergence. Non-first home buyer loans includes loans for refinancing which have a lower average loan size, which brings the average loan size for the non-first home buyers series down. The observed divergence is partly a result of an increasing proportion of refinancing loans.

The number and proportion of first home buyers increased in South Australia and nationally after the introduction of government grant initiatives for these borrowers. After September 2008, the average size of first home buyer loans was greater than that for non-first home buyer purchasers. While first home buyer loans have occasionally been of greater value than non-first home buyer purchasing loans in South Australia in recent years, for Australia this is the first time this has been observed this decade.

Explanatory Notes

Components of non-first home buyer finance (Technical Note)

TECHNICAL NOTE COMPONENTS OF NON-FIRST HOME BUYER FINANCE

COMPONENTS OF NON-FIRST HOME BUYER FINANCE

1 Data used in the article [Housing Finance: First Home Buyers and Other Borrowers](#) can be found in the Time Series Spreadsheets in [Housing Finance, Australia](#) (cat. no. 5609.0). Data on loans to non-first home buyers for the purposes of purchasing (i.e. excluding refinancing) are not available from these spreadsheets but can be calculated from other items.

2 For Australia, data on the number and total value of loans excluding refinancing can be found in Table 1. The number and average value of loans to first home buyers can be found in Table 9a. The total value of these loans can be calculated by multiplying the number of loans by the average value.

3 The number and total value of loans to non-first home buyers excluding refinancing is derived by subtracting first home buyer loans from all loans excluding refinancing. The average value can then be found by dividing the total value by the number of loans.

4 For South Australia, data on all loans excluding refinancing can be obtained by subtracting loans for refinancing of established dwellings from total loans. These data items are found in Table 10a, 10b and 10c. Data on loans to first home buyers are found in Table 9b. The method to calculate total value, number and average value of loans to non-first home buyers excluding refinancing is the same as that detailed above.

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